

BIG DROP IS SEEN IN FIRST QUARTER

Standard Statistics Places
Index 25 Per Cent
Under Year Ago.

Special Dispatch to The Star.

NEW YORK, Feb. 7.—In its weekly summary of the general business situation the Standard Statistics Co. of New York currently comments as follows:

"Business activity in January was about in line with earlier expectations. Following a precipitous drop in industrial production in each of the final four months of 1937, a general leveling off was witnessed last month, with further recessions in some lines offset by moderate improvement in others. The Standard Statistics Co. index of industrial production for January is estimated at around 70.5 (corrected for seasonal variation, 1926 equals 100). This compares with 72.2 for December, but represents a decline of around 30 per cent in five months.

"It is probable that modest improvement will be witnessed this month and in March, but it is unlikely that the index for the first quarter as a whole will average much, if any, more than 75.0, or roughly 25 per cent below the first quarter of 1937. In short, while there are signs that the business recession has been halted, at least temporarily, the improvement in prospect for the next few months is not particularly encouraging and certainly will not be sufficient to cause a marked reduction in unemployment.

"A number of important labor agreements between the C. I. O. and industry came up for discussion this month and next. Negotiations between the United States Steel Corp. and the Steel Workers' Organizing Committee and the policy adopted by the corporation will probably have an important influence on the outcome of other negotiations in the steel as well as other industries.

"Despite reports to the contrary, downward wage adjustments have been quietly made in a number of leading lines. For example, one large industry, which is strongly unionized, has been able to make two reductions in the past several months, with virtually no opposition by the labor leaders. An independent steel company recently cut all wages 20 per cent, which may be a straw in the wind. Many companies have already returned to a piece-work basis. Others are reducing labor expense by discharging inefficient workers in the lower wage brackets and replacing these with workers formerly in the higher brackets.

"While the maintenance of high wages is socially desirable, they are not economically feasible when other cost and demand factors are well out of line. It is generally recognized that the maintenance of wages in 1930 merely prolonged the readjustment process and probably delayed the later recovery. Because of the financial drains of the past depression and because of the materially heavier tax burdens, industry is not in a position to weather a prolonged period of slack demand and high wages."

P. LORILLARD CO. EARNS \$2,278,036 IN 1937

By the Associated Press.
NEW YORK, Feb. 7.—P. Lorillard Co., tobacco concern, for the year 1937 today reported net profit of \$2,278,036, after deduction of flood losses, equal, after preferred dividends, to 85 cents a common share, against \$3,517,849, or \$1.51 a common share, in 1936. The 1937 net income, before deduction of the flood losses, was \$3,337,316, or \$1.42 a common share.
Net sales in 1937 totaled \$75,962,585, compared with \$67,127,295 in 1936, a gain of 13.16 per cent.

SEEING STATUE IS 'MUST'

RIO DE JANEIRO, Feb. 7.—No one should visit Rio de Janeiro without seeing the huge monument of Christ the Redeemer. The statue, which has a height of over 100 feet, was erected on the Corcovado, highest peak in Rio, by public subscription.

Figures What They Mean

By A. A. PATTON,
Associated Press Statistician.

NEW YORK, Feb. 7.—The contrast between the seasonal decline in railroad freight carloadings during the week ended January 29 carried this barometer of industrial conditions to the lowest level since September, 1935.

The slump in loadings started months before business generally, or the stock market, gave any indication the 1935-1937 boom had run its course.

After adjustment for seasonal factors, miscellaneous freight—the principal industrial classification, including such items as petroleum, steel, automobiles and parts, etc.—hit top at approximately the same time, and has since dropped 33 per cent.

In this connection it is noted the Associated Press industrial activity index declined roughly 35 per cent from its recovery peak in the spring of 1937.

The fact freight shipments turned down almost six months before the peak in industrial output was reached is said by some analysts to mean consumer demand began to weaken at the turn of 1936, while production was maintained on the basis of forward orders placed to avoid expected higher costs. That there is some element of truth in this theory, they say, is indicated by the heavy inventories built up during the early part of 1937 as a result of activity outstripping demand.

TRANSIT REVENUES SHOW SMALL DROP

Special Dispatch to The Star.

NEW YORK, Feb. 7.—Revenues for the transit industry for the week ending January 29, based on telegraphic reports received from a representative group of operating companies, showed a moderate decrease from last year. Transit Journal's revenue indicator stands at 96.10, which represents a loss of 3.90 per cent from the corresponding week in 1937. For the week ending January 22, the indicator was 98.41.

Revenues for the latest week were slightly lower than for the preceding week. Small losses were fairly uniform throughout the country except for the West Coast, where substantial gains were apparent.

Pollansbee Bros. Co.—Federal Judge Gibson, Pittsburgh, granted a 90-day further general continuance of confirmation of reorganization plan to allow company additional time to continue negotiations for new financing.

CANADA REPORTS RISE IN IMPORTS

27.4 Per Cent Increase Shown.
More Than Half of Total
Supplied by U. S.

By the Associated Press.
OTTAWA, Ontario, Feb. 7.—A 27.4 per cent rise in imports was shown today in figures covering the nine months ended December 31, released by the Dominion Bureau of Statistics. The United States supplied Canada with more than half its imported goods, while the United Kingdom and other empire countries supplied a little less than one-quarter.

Topping the list of countries from which Canada bought \$637,342,835 worth of goods in the first nine months of the 1937-38 fiscal year, the United States provided \$380,892,440 worth, boosting its trade 34.1 per cent in comparison with the like period of the previous fiscal year.

Imports from empire countries rose 25.1 per cent at \$191,514,649 and those from the United Kingdom, worth \$115,859,495, were up 18.1 per cent.

Second supplier among non-British countries was Germany, which shipped Canada goods worth \$9,499,747, an increase of 3.3 per cent.

Third was Belgium, which sent \$6,165,956 worth; fourth, France, which sent \$5,237,109; fifth, Japan, \$4,573,137; sixth, Argentina, with \$4,542,020 worth.

NEW YORK BANK STOCKS HIGHER DURING WEEK

Special Dispatch to The Star.

NEW YORK, Feb. 7.—New York City bank stocks held steady during the last week and registered small gains at the close, according to records compiled by Holt, Rose & Troter.

The aggregate value of 16 leading issues on February 4 totaled \$1,354,639,000, compared with \$1,343,628,000 at the close of the previous week, an increase of \$11,011,000, or 0.82 per cent.

The current average yield of the 16 issues of 4.87 per cent compares with a yield of 4.91 per cent on January 28. The current market value is now 97 per cent of the known book value, compared with 96 per cent a week ago.

ARMCO PAY ROLLS UP.

NEW YORK, Feb. 7.—Pay rolls of the American Rolling Mill Co. in 1937 totaled more than \$28,000,000, an increase of about 14 per cent, compared with a 1936 total of over \$22,000,000, the company stated.

REAL ESTATE BONDS NOW DISCLOSE UPTURN

Special Dispatch to The Star.

NEW YORK, Feb. 7.—Giving the first indication of an upward trend since June, 1937, the average price of Midwest realty bond issues rose 1.8 per cent in January, according to the current issue of the Amott-Baker Realty Bond Price Averages, covering 200 issues in Chicago, Detroit, Houston, St. Louis and other Midwestern cities. A similar increase was reported for the Eastern section of

UNITED FRUIT SHOWS \$11,817,128 EARNINGS

By the Associated Press.

BOSTON, Feb. 7.—The United Fruit Co. reported earnings of \$11,817,128, or \$4.04 a share, during the year 1937, compared with \$14,176,995, or \$4.84 a share, the previous year, after deductions for depreciation, interest and taxes.

ACTIVITY IN TEXTILES SETS GOOD 1937 PACE

December Drop Fails to Prevent
25 Per Cent Gain Over
Normal Year.

Special Dispatch to The Star.

NEW YORK, Feb. 7.—Textile World's index of textile mill activity for December showed a continuation of the radical drop which characterized the last part of the year. The rate for that month was 38 per cent below December, 1936, and 13 per cent below a "normal" December (1924-31 average). However, thanks to remarkable activity in the first half of 1937 the total rate for the year was approximately the same as 1936 and consequently nearly 25 per cent above a "normal" year.

Textile World's price index numbers showed a mixed trend in January, but declines were in the majority. Based on 1923-5 average as 100, price indices for January with

change from the previous month are as follows:
Cotton—Raw cotton, 32 (up 2); yarns, 47 (unchanged); gray goods, 49 (unchanged); colored goods, 62 (up 2). Wool—Raw wool, 57 (down 3); tops, 63 (down 1); yarns, 68 (down 2); wool cloth, 97 (unchanged); raw silk, 21 (unchanged); rayon, 26 (down 1).

Artificial Teeth Imported.
Millions of artificial teeth were imported into England from America last year to be made into sets.



Now is the time to eat lamb! It is a versatile meat, combines well with other foods, and is healthy and nutritious. Lamb is one of the first meats recommended by physicians and dietitians for children and grown-ups, too.

SHOULDER LAMB ROAST lb. **17c**

BREAST OF LAMB lb. **10c**

FANCY RIB LAMB CHOPS lb. **29c**

D. G. S. 100% All-Pork

SAUSAGE MEAT lb. **23c**

D. G. S. 100% All-Pork

GREEN LINKS lb. **29c**

D. G. S. Govt. Grade No. 1

SLICED BACON lb. **37c**

Brandywine

SLICED BACON lb. **37c**

Sunshade

ROLL BUTTER lb. **39c**

D. G. S.

CREAMERY BUTTER lb. **41c**



MAXWELL HOUSE COFFEE lb. **25c**



D. G. S. FAMILY FLOUR 12 lb. bag **39c**



SUNSWET PRUNES "Tenderized" 2 lb. pkgs. **25c**



LOG CABIN SYRUP sm. can **19c** lge. can **37c**



SCHINDLER'S "Fresh Roasted" PEANUT BUTTER 2 lb. jar **25c**



NATUR-SWEET PURE ORANGE JUICE 3 12 oz. cans **25c**

FRESH GREEN BROCCOLI bunch **15c**

Dry Yellow Onions 4 lbs. **19c**

White Squash 2 lbs. **17c**

Crisp Celery 2 stalks **19c**

Fresh Spinach 2 lbs. **15c**

U. S. No. 1 **NEW POTATOES** 4 lbs. **19c**

Extra Fancy Western Delicious Apples 4 lbs. **25c**

Delicious or Stayman Apples 4 lbs. **15c**

Juicy Florida Oranges doz. **17c and 23c**

Large, Juicy Florida **GRAPEFRUIT** 4 for **19c**

The Acme of Coffee Perfection
Gold Bag COFFEE lb. **20c**

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to eat

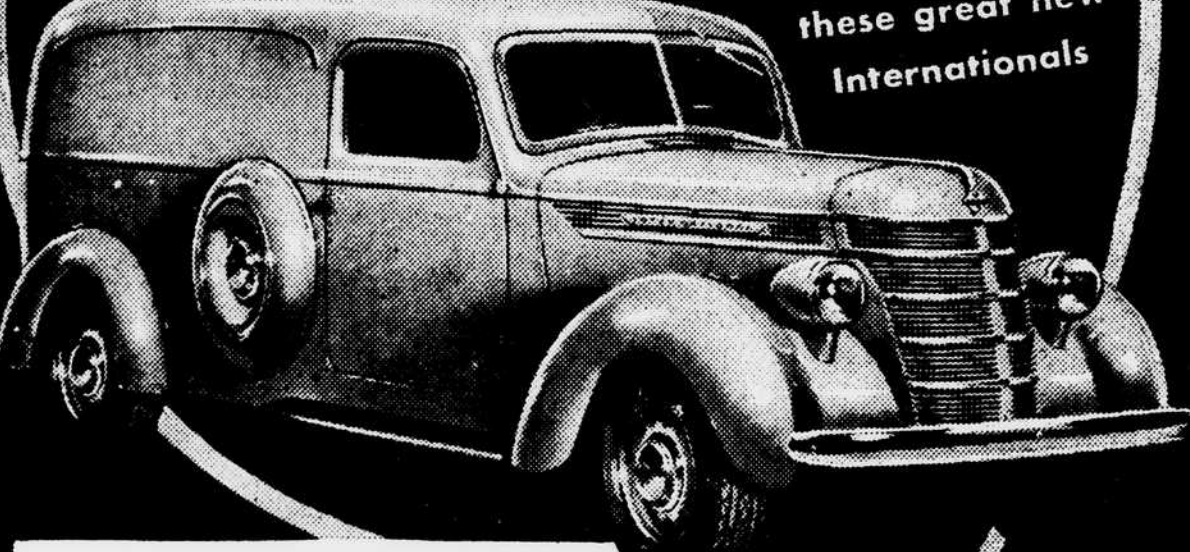


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